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IN REPLY
REFER TO DLMSO

October 9, 1998

MEMORANDUM FOR: DISTRIBUTION

SUBJECT: Interim Change 98-1 to Military Standard Billing System
(MILSBILLS), "Revised Seller Interfund Reimbursement
Procedures"

In their August 1998 meeting, the DoD MILSBILLS Focal Point Committee approved the revised seller interfund reimbursement procedures prescribed in the attached change. To summarize, the change requires seller central accounts offices (DFAS) to base seller interfund reimbursements on interfund bills which pass MILSBILLS prescribed Defense Automatic Addressing System Center (DAASC) edits rather than the seller interfund report submitted. This change will eliminate many problem disbursements caused by improper interfund bills. This change is effective not later than 1 December 1998. Please direct any questions regarding this change to Mr. Dennis Thomas at 703-767-6128, DSN 427-6128, or e-mail, dennis_thomas@hq.dla.mil.


JAMES A. JOHNSON
Director

Defense Logistics Management
Standards Office

Attachment

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Interim Change 98-1

Revised Seller Interfund Reimbursement Procedures

Revise DoD 4000.25-7-M as indicated in the following paragraphs (new or revised material is identified by bold, italic).

1. Chapter 2, Section M, paragraph 4. Revise to read as indicated.

“4. DAASC will edit each bill to ensure that:

- a. The record count shown in pos. 5-7 of the summary billing record equals the actual count of the supporting billing records.
- b. The bill-to address shown in pos. 30-35 of the summary billing record is a valid DoDAAC.
- c. The amount show in pos. 65-73 of the summary billing record equals the sum of the amounts shown in pos. 65-73 of the supporting billing records.
- d. Bills identified as interfund are authorized to be billed under interfund procedures. That is the bill-to office DoDAAC is not:
 - non-DoD (begins with numeric, G, or Z),
 - a DoD contractor (begins with C, E, L, Q, or U),
 - DoD (begins with alpha other than C, E, G, L, Q, U, or Z) and the fund code requires noninterfund billing (normally XP fund code),
 - an other DoD Component (begins with H) and the fund code is not listed in the other Defense Agencies (“A”) appendix of the MILBILLS Fund Code Supplement and
 - AAFES (begins with HX).

5. DAASC will reject bills when they fail any of the edits. Rejected bills will be returned to the originating communications center with a narrative description indicating the reason for rejection. Billing offices will correct the rejected bills and resubmit them to the DAASC. Billing offices will ensure that all appropriate adjustments for rejected billings and interfund collections are made to seller accounting records.

6. Upon successful completion of the edits, DAASC will route bills by an appropriate means (DDN, mail, etc.) to the billed office. A narrative header record "For Accounting and Finance Officer" will be included with each bill. If the bill is interfund, DAASC will also forward a copy of its summary billing record to the seller central accounts office. The responsible central accounts office for sellers may be identified as follows:

Interfund Seller	Responsible Seller
Billing DoDAAC begins with:	Central Accounts Office is:
Numeric	GSA
F	DFAS-DE
M	DFAS-KS
N	DFAS-CL
Other character	DFAS-IN

7. The DAASC will retain in their files, non-FMS bills routed by them for one year and FMS bills for two years. Chapter 4 prescribes procedures for obtaining copies from DAASC.

2. Chapter 5, Section D. Revise to read as indicated:

D. INTERFUND REPORTS

1. Billing office reports. Central accounts offices will base interfund reimbursements upon summary billing records received from DAASC for interfund bills passing MILSBILLS prescribed DAASC edits. Therefore, upon implementation of the revised seller interfund reporting procedures, MILSBILLS no longer requires sellers to forward DD Form 1400, Statement of Interfund Transactions or equivalent reports to their accounts office. However, central accounts offices may continue to require their reporting activities to submit seller interfund reports for a transition period determined by the accounts office.

2. Billed office reports. Billed offices will report; that is, correct or otherwise clear, interfund disbursements charged to their office in accordance with procedures prescribed by their Service or Agency.

3. Departmental level reports. Central accounts offices will consolidate billed office reports and summary billing records validated by DAASC into a departmental level "Statement of Interfund Transactions" and related reports as prescribed in this chapter.

3. Chapter 5, section E, paragraph 6, subparagraph c and figure 5-4. Delete.

~~c. Reconciliation Worksheet. When the summary billing records do not fully support the amounts, by appropriation, on the extracts reported to other CAOs, a reconciliation worksheet must be forwarded to the CAO. The worksheet will be provided by the twentieth workday following the close of the month and will include, at a minimum, the information provided in the sample reconciliation worksheet (fig. 5-4).~~

4. Chapter 5, section F. Revise paragraph 3 to read as indicated.

3. Ensuring that there are adequate controls over interfund related transactions such that:

a. Lapsed accounts are not reported to the Department of Treasury or other DoD Components.

b. Invalid account symbols are converted to the clearing account, F3885- "Undistributed Intra-Governmental Payments".

c. Seller interfund reimbursements reported to Treasury are based upon billings validated by DAASC.

d. Disbursements are processed by the billed office in a timely manner.

e. Amounts placed in suspense; that is, charged to the clearing account (F3885), are transferred to another account or are otherwise cleared within a reasonable period. The clearing account was authorized to temporarily record erroneous collections; therefore, the reporting of the clearing account at fiscal year end is not authorized. Balances remaining in the clearing account at the end of the fiscal year will be prorated to the DoD Component's appropriations based upon estimates. These adjustments will be reversed and the clearing account restored as of the new fiscal year.